

# **WEST VIRGINIA LEGISLATURE**

## **2026 REGULAR SESSION**

### **Committee Substitute**

**for**

### **House Bill 5381**

(By Request of the Executive)

By Delegates Hanshaw (Mr. Speaker) and

Hornbuckle

[Originating in the Committee on Energy and Public

Works, February 24, 2026.]

1 A BILL to amend and reenact §5B-2A-1, §5B-2A-3, §5B-2A-4, §5B-2A-9, §5B-2A-12, §5B-2F-1,  
2 §5B-2F-2, §5B-2F-3, §5B-2F-4, §5B-2H-2, §5B-2J-2, §5B-2N-1, §5B-2N-2, §5B-2N-3, and  
3 §5B-2N-4 of the Code of West Virginia, 1931, as amended, to amend the code by adding  
4 new sections, designated §5B-2F-1a, §5B-2F-2a, §5B-2N-1a, §5B-2N-2b, §5B-2N-4a,  
5 §5B-2N-5, §5B-2N-6, and to repeal §5B-2A-10, §5B-2A-14, §5B-2F-5, §5B-2O-1, §5B-2O-  
6 2, §5B-2O-3, §5B-2O-4, all relating to the consolidation and development of a  
7 comprehensive energy development policy and plan under the direction of the West  
8 Virginia Office of Energy; transferring the Office of Coalfield Community Development as a  
9 program within the Office of Energy; eliminating annual report of the Office of Coalfield  
10 Community Development; eliminating the sunset date of the Office of Coalfield Community  
11 Development; establishing the Comprehensive Energy Policy and Development Plan Act  
12 of 2026; eliminating outdated and misaligned duties of the Office of Energy; repurposing  
13 the Office of Energy with developing a long-lasting energy policy that embraces coal,  
14 natural gas, nuclear, hydropower, renewable, hydrogen, and geothermal sources of  
15 energy that emphasizes stability, efficiency, innovation, stable baseload generation, low  
16 cost, independence, and security; eliminating the Office of Energy's responsibility to  
17 develop an energy savings contracting program; empowering the Office of Energy to hold  
18 stakeholder meetings to develop a comprehensive energy plan and policy; granting the  
19 Office of Energy rulemaking powers; including the Office of Energy in the list of agencies  
20 empowered to assist in the growth of the Marcellus gas and natural gas liquid industries;  
21 repealing Coal Fired Grid Stabilization Act of 2023 and merging its elements into the newly  
22 created Comprehensive Grid Stabilization and Energy Security Act of 2026; creating  
23 definitions for the act; directing the Office of Energy to develop strategies for developing  
24 coal, geothermal, hydrogen, hydropower, natural gas, nuclear, and renewable fueled  
25 energy; directing the Office of Energy to submit an annual report of its findings and  
26 recommendations; authorizing the Office of Energy to identify and designate suitable sites

27 for coal, geothermal, hydrogen, hydropower, natural gas, renewable, or nuclear electric  
28 generation projects; authorizing the Office of Energy to develop and adopt criteria for  
29 energy-ready community designations for local governments; directing the Office of  
30 Energy to develop a state energy security plan and to conduct energy emergency  
31 exercises to access the state's energy emergency readiness; providing for reporting  
32 regarding emergency readiness; and technical cleanup of amended and reenacted  
33 sections.

*Be it enacted by the Legislature of West Virginia:*

**CHAPTER 5B. ECONOMIC DEVELOPMENT ACT OF 1985.**

**ARTICLE 2A. OFFICE TRANSFER OF COALFIELD COMMUNITY DEVELOPMENT  
PROGRAM TO THE OFFICE OF ENERGY.**

**§5B-2A-1. Legislative findings and declaration.**

1 The Legislature hereby finds and declares the following:  
2 (a) Coal mining has made and continues to make significant contributions to the economy  
3 of West Virginia. These contributions include the creation of quality jobs that pay high wages and  
4 provide good benefits; the consequent stimulation and support of mining contractors, suppliers of  
5 mining equipment and services, other mining-related industries and numerous providers of goods  
6 and services that are indirectly related to coal mining and dependent upon its existence and  
7 prosperity; the generation of significant severance and other tax revenues that support important  
8 economic development, infrastructure and education initiatives in mining communities and  
9 throughout the state; the support of civic, education and service groups in mining communities;  
10 and, in the case of surface mining operations, including mountaintop mining, the creation of much-  
11 needed flat land for economic development and recreational uses.  
12 (b) The development and increasing prominence of surface mining operations, including  
13 mountaintop mining, has brought increasingly high levels of productivity, safety and efficiency to

14 the state's mining industry, enabling the recovery of coal that could not otherwise be mined and  
15 marketed profitably, increasing the severance tax revenues and other economic benefits  
16 described in subsection (a) of this section and ensuring the competitiveness of the state's coal  
17 industry from a national and international perspective.

18 (c) Where implemented, surface mining operations, particularly mountaintop mining, tend  
19 to extract most, if not all, of the recoverable coal reserves in an accelerated fashion. For a state  
20 long dependent on the employment and revenue coal mining provides, this reality should be  
21 sobering and there is no place in which the comprehension of this reality is more crucial than the  
22 coalfields of West Virginia. Long dependent primarily on mining, this area must plan for a future  
23 without coal. The state and its subdivisions have a legitimate interest in securing that future.

24 (d) The coal industry and those related to the extraction of mineral resources benefit from  
25 the mining of our state's coal through mining practices which impact its citizens -- some in a  
26 negative way -- and through practices which will extract significant portions of coal reserves in an  
27 accelerated fashion. Those industries must therefore accept a greater responsibility to help  
28 address the long-term needs of the communities and citizens impacted by their activities.

29 (e) Once it becomes public knowledge that a permit is being sought, the marketability of  
30 property may change and the relative bargaining power of the parties may change with it. The  
31 potential for negative impact on those living in communities near surface mining operations may  
32 limit the options and bargaining power of the property owners.

33 (f) Surface mining operations, including mountaintop mining, present unique challenges to  
34 the coal mining industry and the state and its citizens, especially those living and working in  
35 communities that rely heavily upon these methods of mining. This requires that these  
36 communities, in conjunction with county commissions, state, local, county and regional  
37 development authorities, landowners and civic, community and business groups and interested  
38 citizens, develop plans related to the communities' long-term economic viability.

39 (g) The ~~Division~~ Office of Energy, as the state agency charged with energy policy and

40 development activities, shall ~~take a more active role in~~ engage in planning and coordinating the  
41 long-term economic development of communities in which these mining methods are prevalent  
42 and shall establish a formal process to assist property owners in the determination of the fair  
43 market value where the property owner and the coal company voluntarily enter into an agreement  
44 relating to the purchase and sale of such property.

**§5B-2A-3.**

**Definitions.**

1 (a) For the purpose of this article:

2 (1) "Department" means the Department of Environmental Protection established in §22-1-  
3 1 *et seq.* of this code;

4 (2) "Office" means ~~the Office of Coalfield Community Development;~~ the Office of Energy  
5 established in §5B-2F-1 *et seq.* of this code;

6 (3) "Operator" means the definition in §22-3-3 of this code;

7 (4) "Program" means the Coalfield Community Development Program within the Office of  
8 Energy;

9 (4) ~~(5)~~ "Renewable and alternative energy" means energy produced or generated from  
10 natural or replenishable resources other than traditional fossil fuels or nuclear resources and  
11 includes, without limitation, solar energy, wind power, hydropower, geothermal energy, biomass  
12 energy, biologically derived fuels, energy produced with advanced coal technologies, coalbed  
13 methane, fuel produced by a coal gasification or liquefaction facility, synthetic gas, waste coal, tire-  
14 derived fuel, pumped storage hydroelectric power or similar energy sources; and

15 ~~(5)(6)~~ "Secretary" means the Secretary of the Department of ~~Economic Development~~  
16 Commerce.

17 (b) Unless used in a context that clearly requires a different meaning or as otherwise  
18 defined herein, terms used in this article shall have the definitions set forth in this section.

**§5B-2A-4. Transferring the powers, duties, and responsibilities of the Office of Coalfield**  
**Community Development into a program within the Office of Energy.**

1 (a) The Office of Coalfield Community Development all the powers, rules, duties, and  
2 responsibilities previously granted and authorized to the Office pursuant to this article are hereby  
3 transferred into a program within the Office of Energy ~~is continued within the Department of~~  
4 ~~Economic Development.~~

5 (b) ~~The Governor shall appoint and set the salary of the director of the office who shall be~~  
6 ~~responsible for hiring~~ Director of the Office of Energy may hire such assistants and clerical staff as  
7 may be necessary to carry out the responsibilities of the office program. ~~The initial appointment~~  
8 ~~for the director shall be made by July 1, 2026. Funding for this position and to carry out the duties~~  
9 ~~of the office shall be as provided by appropriation of the Legislature.~~

10 (c) ~~The director shall report quarterly to the energy and finance committees of the~~  
11 ~~legislature on projects funded by the office. The report shall include the amount, the recipient and~~  
12 ~~a description of each project funded.~~

**§5B-2A-9. Securing developable land and infrastructure.**

1 (a) The office shall determine the land and infrastructure needs in the general area of the  
2 surface mining operations for which it makes the determination authorized in §5B-2A-6 of this  
3 code.

4 (b) For the purposes of this section, the term "general area" shall mean the county or  
5 counties in which the mining operations are being conducted or any adjacent county.

6 (c) To assist the office, the operator, upon request by the office, shall be required to prepare  
7 and submit to the office the information set forth in this subsection as follows:

8 (1) A map of the area for which a permit under §22-3-1 *et seq.* of this code is being sought  
9 or has been obtained;

10 (2) The names of the surface and mineral owners of the property to be mined pursuant to  
11 the permit; and

12 (3) A statement of the post-mining land use for all land which may be affected by the mining  
13 operations.

14 (d) In making a determination of the land and infrastructure needs in the general area of the  
15 mining operations, the office shall consider at least the following:

16 (1) The availability of developable land in the general area;

17 (2) The needs of the general area for developable land;

18 (3) The availability of infrastructure, including, but not limited to, access roads, water  
19 service, wastewater service, and other utilities;

20 (4) The amount of land to be mined and the amount of valley to be filled;

21 (5) The amount, nature, and cost to develop and maintain the community assets identified  
22 in §5B-2A-8 of this code; and

23 (6) The availability of federal, state, and local grants and low-interest loans to finance all or  
24 a portion of the acquisition and construction of the identified land and infrastructure needs of the  
25 general area.

26 (e) In making a determination of the land and infrastructure needs in the general area of the  
27 surface mining operations, the office shall give significant weight to developable land on or near  
28 existing or planned multilane highways.

29 (f) The office may secure developable land and infrastructure for a Development Office or  
30 county through the preparation of a master land use plan for inclusion into a reclamation plan  
31 prepared pursuant to the provisions of §22-3-10 of this code. No provision of this section may be  
32 construed to modify requirements of §22-3-1 *et seq.* of this code.

33 (1) The county commission or other governing body for each county in which there are  
34 surface mining operations that are subject to this article shall determine land and infrastructure  
35 needs within their jurisdictions through the development of a master land use plan which  
36 incorporates post-mining land use needs, including, but not limited to, renewable, nonrenewable,  
37 and alternative energy uses, residential uses, highway uses, industrial uses, commercial uses,  
38 agricultural uses, public facility uses, or recreational facility uses. A county commission or other  
39 governing body of a county may designate a local, county, or regional development or

40 redevelopment authority to assist in the preparation of a master land use plan. A county  
41 commission or other governing body of a county may adopt a master land use plan developed  
42 after July 1, ~~2009~~ 2026, only after a reasonable public comment period.

43 (2) Upon the request of a county or designated development or redevelopment authority,  
44 the office shall assist the county or development or redevelopment authority with the development  
45 of a master land use plan.

46 (3)(A) The Department of Environmental Protection and the ~~Office of Coalfield Community~~  
47 ~~Development Office~~ shall review master land use plans existing as of July 1, ~~2009~~ 2026. If the  
48 office determines that a master land use plan complies with the requirements of this article and the  
49 rules promulgated pursuant to this article, the office shall approve the plan on or before July 1,  
50 ~~2010~~ 2027.

51 (B) Master land use plans developed after July 1, ~~2009~~ 2026, shall be submitted to the  
52 department and the office for review. The office shall determine whether to approve a master land  
53 use plan submitted pursuant to this subdivision within three months of submission. The office shall  
54 approve the plan if it complies with the requirements of this article and the rules promulgated  
55 pursuant to this article.

56 (C) The office shall review a master land use plan approved under this section every three  
57 years. No later than six months before the review of a master land use plan, the county or  
58 designated development or redevelopment authority shall submit an updated master land use  
59 plan to the department and the office for review. The county may submit its updated master land  
60 use plan only after a reasonable public comment period. The office shall approve the master land  
61 use plan if the updated plan complies with the requirements of this article and the rules  
62 promulgated pursuant to this article.

63 (D) If the office does not approve a master land use plan, the county or designated  
64 development or redevelopment authority shall submit a supplemental master land use plan to the  
65 office for approval.

66 (4) The required infrastructure component standards needed to accomplish the designated  
67 post-mining land uses identified in a master land use plan shall be developed by the county or its  
68 designated development or redevelopment authority. These standards ~~must~~ shall be in place  
69 before the respective county or development or redevelopment authority can accept ownership of  
70 property donated pursuant to a master land use plan. Acceptance of ownership of such property  
71 by a county or development or redevelopment authority may not occur unless it is determined that:

72 (A) The property use is compatible with adjacent land uses;

73 (B) The use satisfies the relevant county or development or redevelopment authority's  
74 anticipated need and market use;

75 (C) The property has in place necessary infrastructure components needed to achieve the  
76 anticipated use;

77 (D) The use is supported by all other appropriate public agencies;

78 (E) The property is eligible for bond release in accordance with §22-3-23 of this code; and

79 (F) The use is feasible.

80 Required infrastructure component standards require approval of the relevant county  
81 commission, commissions, or other county governing body before such standards are accepted.  
82 County commission or other county governing body approval may be rendered only after a  
83 reasonable public comment period.

84 (5) The provisions of this subsection shall not take effect until legislative rules are  
85 promulgated pursuant to this code governing bond releases which assure sound future  
86 maintenance by the local or regional economic development, redevelopment, or planning  
87 agencies.

**§5B-2A-10. Action report; annual update.**

1 [Repealed]

**§5B-2A-12.**

**Rulemaking.**

1 The office shall propose rules for legislative approval in accordance with ~~article three,~~

2 ~~chapter twenty-nine-a~~ §29A-3-1 et seq. of this code to establish, implement and enforce the  
3 provisions of this article, which rules shall include, but not be limited to:

- 4 (1) The development of standards for establishing the value of property by the office; and
- 5 (2) Criteria for the development of a master plan by local, county, regional or  
6 redevelopment authorities which coordinates the permitting and reclamation requirements of the  
7 Department of Environmental Protection with these authorities.

**§5B-2A-14. Sunset**

1 [Repealed.]

**ARTICLE 2F. DIVISION OF ENERGY. COMPREHENSIVE ENERGY POLICY AND  
DEVELOPMENT PLAN OF 2026.**

**§5B-2F-1. Short title.**

1 This ~~chapter~~ article shall be known and cited as the ~~West Virginia Energy Policy and~~  
2 ~~Development Act~~ Comprehensive Energy Policy and Development Plan Act of 2026.

**§5B-2F-1a. Definitions.**

1 For purposes of this article:

2 (1) "Director" means the Director of the West Virginia Office of Energy.

3 (2) "Office" means the West Virginia Office of Energy.

4 (3) "Pipeline" or "pipelines" means any actual lines of pipe for the transmission and  
5 distribution of natural gas together with all appurtenances, facilities, structures, equipment,  
6 machinery and other items related to the transmission and distribution of gas through lines of pipe.

**~~§5B-2F-2. Purpose; Office of Energy; office to develop energy policy and development plan;  
contents of energy policy and development plan; and office to promote energy  
initiatives~~ Development of Comprehensive Energy Policy.**

1 (a) ~~Effective July 1, 2017, the Division of Energy is hereby continued, but shall be~~  
2 ~~designated and known as the Office of Energy and shall be organized within the Department of~~

3 ~~Economic Development. All references throughout this code to the Division of Energy shall be~~  
4 ~~construed to refer to the Office of Energy. The office may receive federal funds.~~

5 ~~(b) The office is intended to provide leadership for developing energy policies emphasizing~~  
6 ~~the increased efficiency of energy use, the increased development and production of new and~~  
7 ~~existing domestic energy sources, the increased awareness of energy use on the environment~~  
8 ~~and the economy, dependable, efficient and economical statewide energy systems capable of~~  
9 ~~supporting the needs of the state, increased energy self-sufficiency where the ratio of indigenous~~  
10 ~~to imported energy use is increased, reduce the ratio energy consumption to economic activity and~~  
11 ~~maintain low-cost energy. The energy policies and development plans shall also provide direction~~  
12 ~~for the private sector.~~

13 ~~(c) The office shall have authority over the energy efficiency program existing under the~~  
14 ~~Department of Economic Development.~~

15 (a) West Virginia and the nation are in need of energy that is reliable, efficient, affordable  
16 and locally produced. To meet this need, the Office of Energy shall develop a long-lasting energy  
17 solution that embraces all forms of energy including, without limitation, coal, natural gas, nuclear  
18 energy, hydropower, hydrogen, renewable, and geothermal energy, by developing a  
19 comprehensive energy policy that emphasizes:

20 (1) Increased reliability from stable baseload generation;

21 (2) Increased efficiency through innovation;

22 (3) Low-cost energy as the bedrock of economic development; and

23 (4) Energy independence and security through increased domestic production.

24 ~~(d) (b) The office~~ Office of Energy ~~shall develop an energy policy and shall report the same~~  
25 ~~back to the Governor and the Joint Committee on Government and Finance before December 1,~~  
26 ~~2007~~ 2026. ~~The energy policy shall be a five-year plan setting set~~ set ~~forth the state's energy policies~~  
27 ~~through at least 2050~~ and shall provide a direction for the private sector. The Office may amend  
28 this policy at any time to reflect changes in energy opportunities. ~~Prior to the expiration of the~~

29 energy policy, the ~~office~~ Office of Energy shall begin review of the policy and submit a revised  
30 energy policy to the Governor and the Joint Committee on Government and Finance six months  
31 before the expiration of the policy.

32 (c) The Comprehensive Energy Policy developed by the Office of Energy and submitted to  
33 the Governor and the Joint Committee on Government and Finance shall provide  
34 recommendations that at a minimum:

35 (1) Prioritize baseload generation over intermittent generation;

36 (2) Allow the state's existing coal-fired power plants to remain fully operational through at  
37 least 2050;

38 (3) Develop a strategy for developing baseload electricity generating projects throughout  
39 the state, including, but not limited to, coal, natural gas, nuclear, hydropower, hydrogen,  
40 geothermal, and, if technically feasible, renewable, and;

41 (4) Set a goal of;

42 (A) Increasing the state's current baseload generating capacity from 16 gigawatts to at  
43 least 50 gigawatts by 2050; and

44 (B) Making West Virginia the leading per-capita generator, situs of commercial and  
45 industrial users, and exporter of electricity in the nation by 2050;

46 (5) Expand the international market for West Virginia coal and develop economical uses for  
47 West Virginia coal in addition to its use in electricity generation and steel manufacturing;

48 (6) Create a robust in-state market for natural gas through increased manufacturing and  
49 electricity generation;

50 (7) Address the need for sufficient electricity transmission lines and natural gas pipelines to  
51 support the increase in baseload electricity generation; and

52 (8) Suggest the placement of natural gas pipelines and electricity transmission lines in  
53 locations throughout the state that lack sufficient access to electricity or natural gas and in  
54 locations where access to increased supplies of electricity or natural gas will spur manufacturing

55 or other economic development.

**§5B-2F-2a. Comprehensive Energy Plan**

1 (a) The Office of Energy shall prepare and submit a five-year energy development plan to  
2 the Governor and the Joint Committee on Government and Finance on or before December 1 of  
3 2026 and every five years thereafter. The development plan shall identify how the office  
4 anticipates implementing the state's energy policy during the subsequent five-year period, as well  
5 as the policies enacted and actions taken in the previous five-year period in furtherance of said  
6 policy. The development plan shall provide direction for the private sector and shall include any  
7 recommended legislation. The Department of Environmental Protection and the Public Service  
8 Commission, in addition to their other duties prescribed by this code, shall assist the office in the  
9 development of an energy policy and related development plans. The energy development plan  
10 shall recognize the powers of the office as to development and financing of projects under its  
11 jurisdiction and shall make such recommendations as are reasonable and practicable for the  
12 exercise of such powers.

13 (b) The energy policy and development plans required by §5B-2F-1 and §5B-2F-2 of this  
14 code shall further identify and report on the energy infrastructure in this state and include without  
15 limitation energy infrastructure related to protecting the state's essential data, information systems  
16 and critical government services in times of emergency, inoperativeness or disaster. In  
17 consultation with the Secretary of the Department of Homeland Security and the Director of the  
18 Division of Emergency Management, the office shall encourage the development of energy  
19 infrastructure and strategic resources that will ensure the continuity of governmental operations in  
20 situations of emergency, inoperativeness or disaster.

21 (c) In preparing or revising the energy policy and development plan, the office may rely  
22 upon internal staff reports or the advice of outside advisors or consultants and may procure such  
23 services with the consent of the Secretary of Commerce. The Office of Energy may also involve  
24 national, state and local government leadership and energy experts.

25 (d) Any documentary material, data or other writing made or received by the Office of  
26 Energy or other public body for the purposes of preparing the energy policy and development plan  
27 is exempt from the Freedom of Information Act under § 29B-1-1 et seq. of this code.

**§5B-2F-3. Energy Savings Contracting Program Stakeholder Meetings.**

1 ~~The secretary shall, working with such other agencies of the state as the secretary deems~~  
2 ~~appropriate, establish an energy savings contracting program to support the design and~~  
3 ~~installation of energy savings contracts that may be entered into by agencies of the state under~~  
4 ~~§5A-3B-1 et seq. of the code. Such program shall include the development and provision of model,~~  
5 ~~template, or standardized contracts, guidelines, procedures, manuals, and other related~~  
6 ~~documents regarding the use of energy savings contracts.~~

7 The office may hold regular scheduled meetings with stakeholders including from various  
8 industries, policy groups, energy developers, utility companies, mineral owners, and private  
9 citizens to receive public input on its energy policies and development plans.

**§5B-2F-4. Energy savings program Rulemaking.**

1 ~~(a) No later than October 1, 2021, the secretary shall establish an energy savings program~~  
2 ~~designed to reduce energy usage for electricity, natural gas, fuel oil, and steam in all state~~  
3 ~~buildings under the care, custody, and control of the state by 25% below 2018 levels by 2030. The~~  
4 ~~secretary shall report annually to the Legislature regarding the energy conservation measures, as~~  
5 ~~defined by §5A-3B-1(b) of this code, installed under the energy savings program, achieved~~  
6 ~~reductions in energy usage, and additional energy conservation measures, if any, necessary to~~  
7 ~~achieve the required reductions by 2030. The secretary is authorized to enter into energy savings~~  
8 ~~contracts as defined in §5A-3B-1 et seq. of this code, as necessary, to implement the energy~~  
9 ~~savings program. Energy savings contracts entered into as part of the energy savings program~~  
10 ~~shall require an annual energy audit performed by a third party and at the cost of the qualified~~  
11 ~~provider. Energy audits shall include (1) A comparative analysis of anticipated to actual energy~~  
12 ~~savings; and (2) the terms and conditions of agency payment and performance guarantees. Any~~

13 ~~such performance guarantees shall provide that the contractor is responsible for maintenance and~~  
14 ~~repair services for any energy related equipment, including computer software.~~

15 ~~(b) The department will collaborate with the Department of Administration to develop~~  
16 ~~energy saving strategies and improve energy efficiency in state buildings under the control and~~  
17 ~~care of the Department of Administration.~~

18 The office may propose rules for legislative approval in accordance with §29A-3-1 et seq.  
19 of this code as needed to implement an energy policy and development plan in accordance with  
20 the provisions of this chapter.

**§5B-2F-5. Disclosure of energy usage.**

1 [Repealed]

**ARTICLE 2H. MARCELLUS GAS AND MANUFACTURING DEVELOPMENT ACT.**

**§5B-2H-2. Legislative findings; declaration of public policy.**

1 (a) The Legislature finds that:

2 (1) The advent and advancement of new and existing technologies and drilling practices  
3 have created the opportunity for the efficient development of natural gas contained in underground  
4 shales and other geological formations.

5 (2) With development of the Marcellus shale comes the opportunity for economic  
6 development in related areas of the economy including, but not limited to, manufacturing,  
7 transmission of natural gas and related products and the transportation of manufactured products.

8 (3) It is in the interest of national security to encourage post-production uses of natural gas  
9 and its various components as a replacement for oil imported from other countries.

10 (4) Producers of natural gas, transporters of natural gas and manufacturers of products  
11 using natural gas face a significant number of regulatory requirements, some of which may be  
12 redundant, inconsistent, or overlapping. Agencies should work together, where practical, to avoid  
13 duplication, promote better coordination and reduce these requirements, thus reducing costs,  
14 simplifying and harmonizing rules and streamlining regulatory oversight.

15 (5) In developing regulatory actions and identifying appropriate approaches, agencies  
16 should attempt to promote coordination, simplification, and harmonization.

17 (6) Agencies should also seek to identify, as appropriate, means to achieve regulatory  
18 goals that are designed to promote innovation.

19 (7) Agencies should review their existing significant legislative, interpretive and procedural  
20 rules to determine whether any such rules should be modified, streamlined, expanded or repealed  
21 so as to make the agency's regulatory program more effective or less burdensome in achieving the  
22 regulatory objectives.

23 (8) The West Virginia Economic Development Authority established in §31-15-1 *et seq.* of  
24 this code and the West Virginia Infrastructure and Jobs Development Council created in §31-15a-  
25 1 *et seq.* of this code, and the Office of Energy created under §5B-2F-1 *et seq.* of this code, should,  
26 where appropriate, provide assistance that grows or sustains this segment of the economy.

27 (b) The Legislature declares that facilitating the development of business activity directly  
28 and indirectly related to development of the Marcellus shale serves the public interest of the  
29 citizens of this state by promoting economic development and improving economic opportunities  
30 for the citizens of this state.

## **ARTICLE 2J. NATURAL GAS LIQUIDS ECONOMIC DEVELOPMENT ACT.**

### **§5B-2J-2. Legislative findings; declaration of public policy.**

1 (a) The Legislature finds that:

2 (1) The advent and advancement of new and existing technologies and drilling practices  
3 have created the opportunity for the efficient development of natural gas, including natural gas  
4 liquids such as ethane, propane, butane, isobutane and pentanes, contained in underground  
5 shales and other geological formations.

6 (2) With the development of natural gas liquids from shales and other geological  
7 formations comes the opportunity for economic development in related areas of the economy  
8 including, but not limited to, manufacturing, transmission and storage of natural gas liquids and

9 related products, the use of such products in manufacturing, the consumption of such products,  
10 and the transportation of manufactured products.

11 (3) Producers of natural gas liquids, transporters and storers of natural gas liquids, and  
12 manufacturers of products using natural gas liquids face a significant number of regulatory  
13 requirements, some of which may be redundant, inconsistent, or overlapping. Agencies should  
14 work together, where practical, to avoid duplication, promote better coordination and reduce these  
15 requirements, thus reducing costs, simplifying and harmonizing rules, and streamlining regulatory  
16 oversight.

17 (4) In developing regulatory actions and identifying appropriate approaches, agencies  
18 should attempt to promote coordination, simplification, and harmonization.

19 (5) Agencies should also seek to identify, as appropriate, means to achieve regulatory  
20 goals that are designed to promote innovation.

21 (6) Agencies should review their existing significant legislative, interpretive and procedural  
22 rules to determine whether any such rules should be modified, streamlined, expanded or repealed  
23 so as to make the agency's regulatory program more effective and less burdensome in achieving  
24 the regulatory objectives.

25 (7) The West Virginia Economic Development Authority established in §31-15-1 *et seq.* of  
26 this code, and the West Virginia Infrastructure and Jobs Development Council created in §31-15a-  
27 1 *et seq.*, of this code and the Office of Energy created under § 5B-2F-1 *et seq.* of this code,  
28 should, where appropriate, provide assistance that grows or sustains the natural gas liquids  
29 segment of the economy.

30 (b) The Legislature declares that facilitating the development of business activity directly  
31 and indirectly related to development, transportation, storage and use of the natural gas liquids  
32 serves the public interest of the citizens of this state by promoting economic development and  
33 improving economic opportunities for the citizens of this state.

**ARTICLE 2N. COMPREHENSIVE GRID STABILIZATION AND ENERGY SECURITY**

**ACT OF 2023 OF 2026.**

**§5B-2N-1. Short title.**

1 This article shall be known and cited as the Comprehensive Grid Stabilization and Energy  
2 Security Act of 2026.

**§5B-2N-1a. Definitions.**

1 For the purpose of this article:

2 "Company" means a for-profit sole proprietorship, organization, association, corporation,  
3 limited liability partnership, limited liability company, including a wholly owned subsidiary, majority  
4 owned subsidiary, parent company, or affiliate of those entities or business associations that exist  
5 to make a profit.

6 "Critical Energy Infrastructure" means a communication infrastructure system,  
7 cybersecurity system, electric grid, hazardous waste treatment system or water treatment facility  
8 that directly or indirectly affects the ability to generate, transmit, transport or distribute electricity,  
9 coal, oil and natural gas, or hydrogen within the state.

10 "Cybersecurity means the measure taken to protect a computer, computer network,  
11 computer system or other technology infrastructure against unauthorized use or access.

12 "Director" means the Director of the West Virginia Office of Energy.

13 "Office" means the West Virginia Office of Energy.

**§5B-2N-2. Legislative findings; declaration of public policy.**

1 (a) The Legislature finds that:

2 (1) The advent and advancement of new and existing technologies and drilling practices  
3 have created the opportunity for efficient ~~development of~~ use of coal, geothermal, hydrogen,  
4 hydropower, natural gas, renewable, and nuclear in West Virginia, including opportunities for the  
5 production of electricity;

6 (2) Production of electricity utilizing coal, geothermal, hydrogen, hydropower, renewable,  
7 natural gas, and nuclear produced in West Virginia is highly underdeveloped in comparison to

8 nearby states with which West Virginia competes for economically beneficial projects. ~~Natural gas~~  
9 Coal, geothermal, hydrogen, hydropower, natural gas, and nuclear electric generation projects  
10 have been undermined by existing regulatory requirements and related time delays;

11 (3) In developing regulatory actions and identifying appropriate approaches to encourage  
12 development of coal, geothermal, hydrogen, hydropower, natural gas, renewable, and nuclear  
13 electric generation projects, agencies should attempt to promote coordination, simplification, and  
14 harmonization. Agencies should also seek to identify appropriate means to achieve regulatory  
15 goals that are designed to promote innovation and enhance West Virginia's competitiveness with  
16 surrounding states;

17 (4) Agencies should review their existing legislative and procedural rules to determine  
18 whether any such rules should be modified, streamlined, expanded, or repealed to make the  
19 agency's regulatory program more effective or less burdensome in achieving the regulatory  
20 objectives related to coal, geothermal, hydrogen, hydropower, natural gas, renewable, and  
21 nuclear electric generation projects. Agencies should also evaluate the data that they have to  
22 determine what information might be useful to prompt permitting and approving coal, geothermal,  
23 hydrogen, hydropower, natural gas, renewable, and nuclear generated electricity; and

24 (5) ~~The West Virginia Department of Economic Development, established in §5B-2-1 et~~  
25 ~~seq. of this code,~~ Office of Energy is responsible for implementing this Grid Stabilization and  
26 Security Act of 2026 and providing as much assistance as possible to grow and sustain the coal,  
27 geothermal, hydrogen, hydropower, natural gas, renewable, and nuclear electric generation  
28 segment of the economy.

29 (b) The Legislature declares that facilitating the development of business activity directly  
30 and indirectly related to coal, geothermal, hydrogen, hydropower, natural gas, renewable, and  
31 nuclear electric generation development, transportation, storage, and use serves the public  
32 interest of the citizens of this state by promoting economic development, improving economic  
33 opportunities for the citizens of this state, and providing additional opportunities to stabilize the

34 price of electricity while increasing its reliability and availability.

**§5B-2N-2b. Strategy for Developing Coal, Geothermal, Hydrogen, Hydropower, Natural Gas, Renewable, and Nuclear Energy.**

1 (a) The Office of Energy shall develop a recommended strategy to the Governor and  
2 Secretary of Commerce for developing coal, geothermal, hydrogen, hydropower, natural gas,  
3 renewable, and nuclear fueled energy in West Virginia's economy and energy infrastructure.

4 (b) Such strategy shall include, without limitation:

5 (1) A review of regulations and legislation needed to guide the development and  
6 achievement of economies of scale for the energy ecosystem in the state;

7 (2) Recommendations for post-secondary education or workforce initiatives to prepare the  
8 state's workforce for coal, geothermal, hydrogen, hydropower, natural gas, renewable, and  
9 nuclear fueled energy-related jobs;

10 (3) Recommendations, legislation, and policies to support coal, geothermal, hydrogen,  
11 hydropower, natural gas, renewable, and nuclear fueled energy facilities at sites throughout West  
12 Virginia;

13 (4) Recommendations regarding funding sources for developing coal, geothermal,  
14 hydrogen, hydropower, natural gas, renewable, and nuclear fueled energy programs and  
15 infrastructure; and

16 (5) Recommendations for potential end uses of coal, geothermal, hydrogen, hydropower,  
17 natural gas, renewable, and nuclear fueled energy.

**§5B-2N-3. Identification of suitable sites for coal, geothermal, hydrogen, hydropower, natural gas, renewable, or nuclear electric generation projects.**

1 (a) The Secretary of the Department of Economic Development ~~Director of the Office of~~  
2 Energy is authorized and directed to identify economically viable sites within the state that are:

3 (1) Located near a convenient and sufficient supply of coal, geothermal, hydrogen,  
4 hydropower, natural gas, renewable, or nuclear energy; and

5 (2) Likely to create economically viable coal, geothermal, hydrogen, hydropower, natural  
6 gas, renewable, or nuclear electric generation projects that provide economic benefits to the local  
7 and state governmental units and the citizens of the state; and

8 (3) Optimally located to provide a convenient supply of the generated electricity to  
9 consumers; and

10 (b) The ~~Secretary of the Department of Economic Development~~ Director of the Office of  
11 Energy shall use the following criteria in identifying economically viable sites for ~~natural gas~~  
12 electric generation projects:

13 (1) Geographic locations near coal deposits, geothermal resources, hydrogen projects,  
14 hydropower resources, renewable resources, producing natural gas wells, or pipelines carrying  
15 natural gas or hydrogen produced in the state, or nuclear electric generation facilities, capable of  
16 supplying and sustaining one or more ~~natural gas~~ electric generation facilities for the economic life  
17 of the facilities;

18 (2) Geographic locations near existing electric transmission infrastructure capable of  
19 transmitting the generated electricity to wholesale markets by one or more coal, geothermal,  
20 hydrogen, hydropower, natural gas, renewable, or nuclear electric generation facilities for the  
21 economic life of the facilities;

22 (3) Geographic locations that fulfill the air quality conditions imposed by the Division of Air  
23 Quality of the West Virginia Department of Environmental Protection ~~for one or more natural gas~~  
24 the electric generation facilities; and

25 (4) Geographic locations that can demonstrate that allowable emission increases from one  
26 or more ~~natural gas electric~~ generation facilities, in conjunction with all other applicable emission  
27 increases or reductions (including secondary emissions), would not cause or contribute to air  
28 pollution in violation of:

29 (A) Any national or West Virginia ambient air quality standard in any air quality control  
30 region; or

31 (B) Any applicable maximum allowable increase over the baseline concentration in any  
32 area.

**§5B-2N-4. Designation of sites suitable for natural gas electric generation projects.**

1 (a) Following identification of economically viable sites that may be suitable for natural gas  
2 electric generation projects, the ~~Secretary of the Department of Economic Development~~ Director  
3 of the Office of Energy shall identify and designate each site it has determined to be suitable for  
4 coal, geothermal, hydrogen, hydropower, natural gas, renewable, or nuclear electric generation  
5 projects as a "designated site", and shall communicate the designated sites to the West Virginia  
6 Department of Environmental Protection's Division of Air Quality and the West Virginia Public  
7 Service Commission as sites suitable for the construction and operation of coal, geothermal,  
8 hydrogen, hydropower, natural gas, renewable, or nuclear electric generation projects.

9 (b) Any application for a siting certificate pursuant to §24-2-11c of the ~~West Virginia Code~~  
10 this code filed with the Public Service Commission to construct or to construct and operate a coal,  
11 geothermal, hydrogen, hydropower, natural gas, renewable, or nuclear electric generation project  
12 at a designated site shall be adjudicated, inclusive of public hearings, and a final order issued by  
13 the Public Service Commission, within 270 calendar days after the date of the filing of the  
14 application, notwithstanding the requirements of any other provision of this code.

15 (c) Nothing in this section is intended to preclude, modify, or establish new Public Service  
16 Commission jurisdiction over:

17 (1) Any exercise of powers, duties, and obligations pursuant to the West Virginia Public  
18 Energy Authority Act;

19 (2) The right of end-user consumers of electricity to develop, invest in, or otherwise  
20 contract for on-site electric self-generation or cogeneration facilities, including those utilizing  
21 natural gas as a fuel source;

22 (3) This section does not alter, modify, or cancel any existing cogeneration tariffs  
23 authorized by the Public Service Commission; and

24 (4) This section does not authorize the sale of electricity to end-users in the state.

25 (d) Where a designated site has been identified, in accordance with §22-5-11b(b) of this  
26 code, as a location where additional data would be helpful for modeling or other evaluation of the  
27 potential emission of a coal, geothermal, hydrogen, hydropower, natural gas, renewable, or  
28 nuclear electric generation project, the Department of Economic Development Office of Energy  
29 shall may consult with or retain such experts as construct such facilities as are necessary to  
30 acquire such data.

**§5B-2N-4a. Energy-Ready Community Designation; Criteria; Application Process; Award  
Process.**

1 (a) The Office of Energy shall propose rules for legislative approval in accordance with the  
2 provisions of §29A-3-1 et seq. of this code to establish a procedure and criteria for awarding a  
3 coal, geothermal, hydrogen, hydropower, natural gas, renewable, or nuclear-ready community  
4 designation to demonstrate a community's voluntary readiness to welcome electric generation-  
5 related development. The procedure and criteria to attain the designation shall include:

6 (1) The holding of local public educational meetings, by a county or municipality, to educate  
7 the community on coal, geothermal, hydrogen, hydropower, natural gas, renewable, or nuclear  
8 electric generation technologies, the related ecosystem, and the role that energy-related  
9 development could play in the community;

10 (2) The availability of at least one site within the community that has been designated by  
11 the Office of Energy as a "Designated Site" suitable for a coal, geothermal, hydrogen, hydropower,  
12 natural gas, renewable, or nuclear electric generation project; and

13 (3) The adoption of resolutions from the county or the municipalities within the designation  
14 area requesting a designation of the community's readiness for energy-related projects to be  
15 developed and sited there.

16 (b) Communities may voluntarily apply to the Office of Energy for an energy-ready  
17 community designation in the form and manner as the office may require, and the office shall

18 evaluate the application and award the designation based on the criteria established under  
19 subsection (a) of this section.

**§5B-2N-5. Development of State Energy Security Plan.**

1 (a) The Office of Energy shall develop a State Energy Security Plan and shall submit a  
2 report of its plan to the Governor and the Joint Committee on Government and Finance before on  
3 or before December 1, 2026, and every five years thereafter. The State Security Energy Plan shall  
4 at a minimum:

5 (1) Provide a state energy profile, including an assessment of energy production,  
6 transmission, distribution and end-use;

7 (2) Identify all energy sources and regulated and unregulated energy providers;

8 (3) Address potential hazards to each energy sector or system, including physical threats,  
9 cybersecurity threats and vulnerabilities;

10 (4) Provide a risk assessment of energy infrastructure and cross-sector  
11 interdependencies;

12 (5) Provide a risk-mitigation approach to enhance reliability and end-use resilience;

13 (6) Identify existing legislation and institutions responsible for energy security in West  
14 Virginia, including federal and state agencies and emergency response procedures;

15 (7) Address coordination between state agencies, local governments and energy  
16 providers; and

17 (8) Describe response processes and responsible authorities for energy emergencies.

18 (b) Nothing in this section is intended to preclude, modify or interfere with other state  
19 agencies in the performance of their duties and obligations during an energy emergency.

20 (c) Any plan and any information obtained or developed by the Office of Energy pursuant to  
21 this section shall be kept confidential and exempt from disclosure under the Freedom of  
22 Information Act under §29B-1-1 et seq., of this code.

**§5B-2N-6. Biennial Energy Emergency Exercise.**

1           (a) The Office of Energy shall conduct an energy emergency exercise by no later than July  
2 1, 2027. It shall conduct additional energy emergency exercises every two years thereafter. The  
3 office shall invite representatives from the following entities to participate in the energy emergency  
4 exercise and shall provide said representatives with at least 30-days advance written notice of the  
5 energy emergency exercise:

- 6           (1) All electric utilities regulated by the West Virginia Public Service Commission;
- 7           (2) West Virginia Public Service Commission;
- 8           (3) West Virginia Office of Technology;
- 9           (4) West Virginia Governor's Office;
- 10           (5) West Virginia Legislature;
- 11           (6) West Virginia Fusion Center;
- 12           (7) West Virginia Department of Homeland Security;
- 13           (8) West Virginia Emergency Management Division;
- 14           (9) West Virginia National Guard;
- 15           (10) West Virginia Department of Transportation;
- 16           (11) West Virginia Department of Environmental Protection;
- 17           (12) Federal Emergency Management Administration;
- 18           (13) United States Department of Energy, Office of Cybersecurity, Energy Security and  
19 Emergency Response;
- 20           (14) United States Department of Homeland Security;
- 21           (15) United States Cybersecurity and Infrastructure Security Agency;
- 22           (16) West Virginia University; and
- 23           (17) Marshall University.

24           (b) The Office of Energy shall conduct the energy emergency exercise so as to allow the  
25 various participating state and federal agencies and other entities to access their energy  
26 emergency preparedness in a risk-free environment.

27 (c) Within 30 days of completing the energy emergency exercise, the office shall provide a  
28 strictly confidential report to the Governor and the Joint Committee on Government and Finance.

29 The report shall:

30 (1) Address whether the State Energy Security Plan properly delineates the roles and  
31 responsibilities of the various entities participating in the exercise and provide recommendations  
32 for improving the State Energy Security Plan; and

33 (2) Recommend improvements in the communication protocols among state agencies, the  
34 federal government, the private sector, other participating entities and the public.

35 (d) Any plan and any information obtained or developed by the Office of Energy pursuant to  
36 this section shall be kept confidential and exempt from disclosure under the Freedom of  
37 Information Act under §29B-1-1 et seq., of this code.

**ARTICLE 20. COAL FIRED GRID STABILIZATION AND SECURITY ACT OF ~~2023.~~**

**§5B-20-1. Short title.**

1 [Repealed.]

**§5B-20-2. Legislative findings; declaration of public policy.**

1 [Repealed.]

**§5B-20-3. Identification of suitable sites for coal electric generation projects.**

1 [Repealed.]

**§5B-20-4. Designation of sites suitable for coal electric generation projects.**

1 [Repealed.]

NOTE: The purpose of this bill is to move the Office of Coalfield Community Development as a program under the Office of Energy and to empower the Office of Energy to develop a comprehensive energy development policy and plan, a comprehensive grid stabilization plan, and to test the stability of West Virginia's energy grid.